

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2040 - SB 1777

March 2, 2011

SUMMARY OF BILL: Adds a member to the Board of Licensing Contractors. Requires the new member be actively engaged and licensed as a plumber.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$1,200/Board of Licensing Contractors

Other Fiscal Impact – According to the Department of Commerce and Insurance, the recurring increase in expenditures of \$1,200 will be covered by the current fee revenue of the Board of Licensing Contractors. As of June 30, 2010, the Board had a reserve balance of \$1,581,060.

Assumptions:

- According to the Department of Commerce and Insurance, Board of Licensing Contractors, the addition of a Board member will increase the Board's operating costs, but will not cause an increase in fees.
- According to the Department, the Board holds six meetings annually. The Board reimburses a member's lodging at \$77 per night, meals at \$46 per day, and mileage at \$0.46 per mile with an average round trip of 150 miles.
- The Board estimates the daily cost for one member to be \$192 [(\$77 lodging + \$46 meals) + (\$.46 per mile x 150 miles)]. The recurring increase in state expenditures for travel costs will be \$1,152 (\$192 per day x 6 days).
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$1,181,318 in FY08-09, \$399,742 in FY09-10, and a closing reserve balance of \$1,581,060 on June 30, 2010.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh